

E-FILED ON August 5 2011

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Attorneys for Ad Systems Communications, Inc.

**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF NEVADA**

In re:	)	CASE NO.: BK-S-10-32725 BAM
AD SYSTEMS COMMUNICATIONS,	)	Chapter 11
INC.	)	
	)	Date of Hearing: OST Pending
	)	Time of Hearing: OST Pending
	)	Place: Courtroom No. 3, Third Floor
Debtor.	)	Foley Federal Building
	)	300 Las Vegas Blvd., S.
	)	Las Vegas, NV 89101

**MOTION TO DISMISS CHAPTER 7 BANKRUPTCY PETITION**

Comes Now Debtor in Possession, Ad Systems Communications, Inc., by and through it's attorneys the Lisowski Law Firm, Chtd. and for it's instant motion alleges and states as follow;

1. Debtor in Possession, Ad Systems Communication, Inc., (hereinafter referred as "Debtor") filed it's Chapter 11 bankruptcy petition on 12/06/10 and an Order for relief was entered.

2. Debtor filed for bankruptcy in large part due to a judgment granted against it in Oregon State Court in the approximate amount of \$2,670,330.20.

3. Debtor recently hired the Lisowski Law Firm, Chtd., as it's new attorneys.

4. Upon it's retention, Debtor's new counsel immediately under took an effort to draft a Disclosure Statement and Plan so as to file it by August 15, 2011, the date on which the Debtor's exclusivity period expires.

5. Debtor's counsel concluded that it could not propose a workable Chapter 11 Plan in good faith without a significant capital infusion from a third-party.

1 6. Debtor has been unable to secure such an infusion to fund a Chapter 11 Plan at this time.

2 7. Debtor's primary Principle, J. Michael Heil has consulted with several Oregon based  
3 attorneys for purposes of filing his own personal Chapter 7 bankruptcy.

4 8. Debtor knowing that it could not propose a plan in good faith contacted it's various creditors  
5 and in particular MegAvail, Inc. who owns the \$2,670,330.20 judgment against the Debtor and  
6 Principle. J. Michael Heil, individually.

7 9. MegAvail, Inc. realizing that it would receive little, if anything, out of a Chapter 7  
8 liquidation has agreed to work with the Debtor outside of bankruptcy in hopes that the Debtor can  
9 generate enough excess cash flow to pay a portion of its debt.

10 10. The Debtor desires to dismiss its case so that it can be free from the administrative  
11 expenses involved in a Chapter 11 bankruptcy case to be able to pursue additional capital and to pursue  
12 new customers who are hesitant to do "business" with a bankrupt company.

13 11. The vast majority of the value of the Debtor consists of short term performance contracts  
14 which would be lost and have no value if the Debtor's bankruptcy case, would be converted to a  
15 Chapter 7 case.

16 12. Rather than waste the Court's valuable time by extending the exclusive period without a  
17 chance of proposing a feasible Plan, the Debtor instead requests that the Court dismiss this case so  
18 that the creditors have a chance to recover at least a portion of what they are owed through the  
19 continued operations of the Debtor.

20 13. The dismissal of this case is in the best interest of creditors and existing employees.

21 **STATEMENT OF LAW**

22 11 U.S.C. § 1112(b)(1) of the Bankruptcy Code states:

23 . . . on request of a party in interest and after notice  
24 and a hearing, absent unusual circumstances  
25 specifically identified by the court that establish that  
26 the requested conversion or dismissal is not in the best  
27 interests of creditors and the estate, the court shall  
28 convert a case under this chapter to a case under  
chapter 7 or dismiss a case under this chapter,  
whichever is in the best interests of creditors and the  
estate, if the movant establishes cause.

1 11 U.S.C. §1112(b)(1)

2 11 U.S.C. § 1112(b) further states:

3 (4) for purposes of this subsection, the term "cause"  
4 includes

5 (4)(j) failure to file a disclosure statement or to file or  
6 confirm a plan, within the time fixed by this title or by  
7 order of the court.

8 11 U.S.C. §1112(b)(4)(j)

9 As previously discussed, the debtor cannot in good faith file a Disclosure Statement and/or Plan  
10 by the Court ordered exclusivity date of August 15, 2011 as the Debtor has been unable to secure  
11 additional funding as long as it is in bankruptcy. It is in the best interests of creditors that the Debtor be  
12 allowed to dismiss it's case so that it can continue it's operations and attempt to sign new contracts with  
13 companies who are hesitant to do business with a company currently in bankruptcy. It is also in the best  
14 interest of creditors that the company pursue additional sources of investments by outside investors who  
15 do not wish to invest in a company that is currently in bankruptcy.

16 For the foregoing reasons, the Debtor respectfully requests that the Court grant it's Motion to  
17 Dismiss it's Chapter 11 Bankruptcy Petition and for any other relief this Court may grant at the time of  
18 hearing on this matter

19 **DATED** this 5th day of August, 2011.

20 Respectfully Submitted,  
21 LISOWSKI LAW FIRM, CHTD.

22 By: 

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